

EXHIBIT H

(ReorgResearch, Governor Rosselló Signs New Moratorium Law, Jan. 29, 2017)

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Puerto Rico

Governor Rosselló Signs New Moratorium Law

Relevant Document:

[House Bill 675 \(Amended\)](#)

Gov. Ricardo Rosselló enacted a new moratorium law Sunday afternoon after the Senate approved it in partisan voting late Saturday.

The legislation, House Bill 675, or the [Puerto Rico Financial Emergency and Fiscal Responsibility Act](#), is among a flurry of bills filed by the administration as it took power this month and turned to the task of crafting a fiscal and economic growth plan required by PROMESA. The House passed the bill with [amendments](#) on Friday. The Senate did not make any changes to the lower chamber's version. Rosselló's signature Sunday came before the previous Moratorium Act, Law 21, was set to expire on Jan. 31.

The bill prioritizes essential services over debt payments but is aimed in part at facilitating government-led negotiations with creditors by repealing parts of the expiring Moratorium Act that are inconsistent with PROMESA and would impede a voluntary negotiation process, according to the measure. If enacted, the law's emergency period will be in place until May 1, which is aligned with the end of the 75-day extension to the PROMESA litigation stay granted by the [PROMESA oversight board](#) on Saturday during its fourth public meeting. However, the governor can extend the law by three months through executive order.

Rosselló said in a statement this afternoon that the law "represents a significant change in philosophy from the previous administration, which had a default law."

"This new law permits, based on the resources that Puerto Rico has, compliance with those who invested in the island, but also makes it clear that our priority is the payment of essential services," the governor said. "With this law we are showing the whole world that Puerto Rico once again has credibility, but based on evidence, data and our available capital."

The Rosselló administration and its legal and financial advisors are working to define what services will be considered and reflected in the fiscal plan it will submit for the PROMESA oversight board's certification as required under the federal statute. The board also gave the administration more time to submit the plan, which is now due Feb. 28.

"Defining essential services is not something you can do in a week. This is a process that is going to take time," Elías Sánchez, the governor's non-voting representative on the PROMESA oversight board, told reporters after Saturday's meeting in Puerto Rico.

The new law extends the [executive orders](#), many of which were due to expire this week, issued under the Moratorium Act until the governor decides to "amend, rescind or supersede" them. "The governor may amend, rescind, or supersede an executive order issued under this Act or under the former Puerto Rico Emergency Moratorium and Financial Rehabilitation Act, which shall continue in full force and effect until amended, rescinded or superseded," the bill states.

Senate Treasury Committee Chairwoman Migdalia Padilla echoed the administration's position that the bill represents a policy shift from the previous administration of Gov. Alejandro García Padilla by starting the process of defining essential services and establishing a willingness to pay debt once those services are covered.

"All those names you called us when we passed the Moratorium Act, that we were socialists, that we were violating the constitution, you have to eat your words now because this bill does exactly the

same thing as the Moratorium Act,” Senate Minority Leader Eduardo Bhatia said during the debate in the bill in the upper chamber on Saturday night.

Puerto Rican Independence Party Sen. Juan Dalmau targeted his criticism on Section 203 of the bill, which deals with payment for essential services and payment priorities, establishing that during the emergency period, the governor shall pay debt service “to the extent (a) possible after all essential services of the Commonwealth of Puerto Rico have been provided for; or (b) ordered to do so by the Oversight Board or any other board created under federal law.”

In his comments, Dalmau cited Matthew 6:24: “No one can serve two masters; for either he will hate the one and love the other, or he will be devoted to one and despise the other.”

The Senate did not take up Rosselló administration legislation, [House Bill 454](#), to implement a “single employer” system to allow the transfer of workers across the commonwealth government and into public-private partnerships.

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